



Senate

General Assembly

File No. 450

January Session, 2013

Substitute Senate Bill No. 1130

Senate, April 11, 2013

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT MAXIMIZING JOBS FOR STATE WORKERS BY REQUIRING
LOCAL CONSTRUCTION HIRING REPORTS BY RECIPIENTS OF
ECONOMIC DEVELOPMENT FUNDS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2013*) (a) Any applicant for
2 more than five million dollars of financial assistance from the
3 Department of Economic and Community Development or
4 Connecticut Innovations, Incorporated for an economic development
5 project shall include in its application for such assistance a
6 commitment to take reasonable steps to contract with Connecticut
7 businesses for any construction-based portion of such project. Such
8 commitment shall include a list of proposed steps such applicant will
9 take to contract with Connecticut businesses. For purposes of this
10 section, "financial assistance" means grants, extensions of credit, loans
11 or loan guarantees, participation interests in loans made to eligible
12 applicants by Connecticut Innovations, Incorporated or combinations
13 thereof.

14 (b) Not more than twelve months after the construction portion of
15 any such project begins, and annually thereafter until construction is
16 completed, any recipient of financial assistance that has made a
17 commitment pursuant to subsection (a) of this section shall file with
18 the Labor Department and the Department of Economic and
19 Community Development a local construction hiring report
20 concerning such recipient's efforts to contract with Connecticut
21 businesses and the employment practices of businesses contracted by
22 such recipient to perform the construction-related portion of such
23 project. Such report shall include:

24 (1) A description of the efforts undertaken by such recipient to
25 contract with Connecticut businesses for the construction-related
26 portion of such project;

27 (2) A description of the efforts undertaken by such recipient to
28 encourage contracted businesses to hire Connecticut residents;

29 (3) (A) The names of businesses contracted by such recipient to
30 perform the construction-related portion of such project, (B) the
31 number of Connecticut residents employed by such contracted
32 businesses, (C) the percentage of such contracted businesses'
33 workforces that are composed of Connecticut residents, (D) the
34 number of Connecticut residents employed by such contracted
35 businesses on such project, and (E) the average wage and benefits paid
36 to construction workers employed by such contracted businesses on
37 such project; and

38 (4) Any other information required by the Labor Department and
39 the Department of Economic and Community Development.

40 (c) Not later than February first, annually, the Department of
41 Economic and Community Development and the Labor Department
42 shall submit a report to the Governor, the General Assembly and the
43 joint standing committees of the General Assembly having cognizance
44 of matters relating to commerce and labor, in accordance with the
45 provisions of section 11-4a of the general statutes. Such report shall

46 summarize the local construction hiring reports filed with said
47 departments in the preceding calendar year pursuant to subsection (a)
48 of this section, and shall include, but not be limited to:

49 (1) A list of the businesses included in any local construction hiring
50 report;

51 (2) The number of Connecticut residents employed by each such
52 business, and in the aggregate;

53 (3) The increase or decrease in the number of Connecticut residents
54 employed by each such business, and in the aggregate, since the
55 preceding year's report;

56 (4) The average wage and benefits paid to construction workers, on
57 projects funded in whole or in part by state funds, employed by each
58 such business, and in the aggregate; and

59 (5) Policy suggestions to encourage the hiring of Connecticut
60 residents.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	New section

CE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which requires the Department of Economic and Community Development (DECD) and the Labor Department (DOL) to submit a report summarizing local construction hiring data, has no fiscal impact.

Under the bill, any applicant for more than five million dollars in financial assistance for economic development projects must provide the information required in the report to DECD and DOL. Neither agency therefore needs additional staff or resources to complete the report.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 1130*****AN ACT MAXIMIZING JOBS FOR STATE WORKERS BY
REQUIRING LOCAL CONSTRUCTION HIRING REPORTS BY
RECIPIENTS OF ECONOMIC DEVELOPMENT FUNDS.*****SUMMARY:**

This bill creates a reporting procedure to assess the extent to which Connecticut contractors and construction workers are being hired for state-funded economic development projects. It requires businesses applying for over \$5 million in state economic development funds from the Department of Economic and Community Development (DECD) or Connecticut Innovations, Inc. (CII) to (1) commit to taking reasonable steps to use Connecticut businesses for the construction portion of their projects and (2) report annually to DECD and the Labor Department on their efforts.

These departments must summarize the information the businesses provide and submit the summary by February 1, annually to the governor, legislature, and Commerce and Labor committees. In doing so, they must suggest policies to encourage contractors working on state-funded economic development projects to hire state residents.

EFFECTIVE DATE: October 1, 2013

ECONOMIC DEVELOPMENT PROJECTS

Businesses receiving over \$5 million in financial assistance from DECD or CII must comply with the bill's reporting requirement. Under the bill, such assistance includes grants, credit extensions, loans, loan guarantees, participation interests in CII loans, or any combination of these forms of assistance.

LOCAL CONSTRUCTION HIRING REPORT

Businesses applying for over \$5 million in financial assistance must (1) commit to taking reasonable steps to contract with Connecticut businesses for the construction portion of the project and (2) report annually to DECD and the Labor Department on their efforts until the construction work is done. The first “labor construction hiring report” is due within 12 months after that work began.

Each report must address the business’ efforts to contract with Connecticut businesses and the employment practices of their construction contractors. The report must specifically:

1. describe the efforts the business took to (a) contract with Connecticut construction contractors and (b) encourage the contractors to hire Connecticut residents,
2. list the contractors that performed the construction work,
3. indicate the number and percentage of Connecticut residents the contractors employ and the number of such residents they employed on the project,
4. provide the average wage and benefit the contractors paid to the construction workers who worked on the project, and
5. provide any other information the departments require.

ANNUAL REPORT

DECD and the Labor Department must submit by February 1, annually, a report to the governor, legislature, and Commerce and Labor committees summarizing the information contained in the labor construction hiring reports. The report must also:

1. list the businesses included in the local construction hiring reports,
2. provide the number of Connecticut residents each business hired and the total number they all hired,

3. show the change in the number of Connecticut residents each business hired since the prior report and the change in the total number of such residents for all of them,
4. provide the average wage and benefits for construction workers on each project funded partly or entirely with state funds and the average wage and benefits for workers on all such projects, and
5. suggest how contactors could be encouraged to hire more Connecticut residents.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/26/2013)